MCA
VOC FOR PGM/FN
BACKGROUNDER NO. 5-6243 NOVEMBER 6, 1978
BARRY WOOD/JOHANNESBURG

SOUTH AFRICAN POLITICAL SCANDAL

ANNCR:

IN SOUTH AFRICA MONDAY A SPECIAL THREE-MAN JUDICIAL INQUIRY BEGAN ITS INVESTIGATION INTO ALLEGED MISUSE OF GOVERNMENT FUNDS BY THE NOW DEFUNCT SOUTH AFRICAN MINISTRY OF INFORMATION. BARRY WOOD IN JOHANNESBURG HAS MORE ON WHAT HAS ALREADY BECOME A MAJOR POLITICAL SCANDAL IN SOUTH AFRICA.

VOICE:

THE COMMISSION WHICH BEGAN ITS WORK MONDAY IN PRETORIA IS HEADED BY SOUTH AFRICAN POVINCIAL SUPREME COURT JUSTICE RUDOLF ERASMUS. JUDGE ERASMUS AND HIS TWO COLLEAGUES ARE PLEDGED TO CONDUCT A FULL AND FREE INVESTIGATION OF ALL THE AFFAIRS OF THE NOW DEFUNCT INFORMATION MINISTRY. THEIR INVESTIGTAION IS TO BE COMPLETED IN ONE MONTH, IN TIME FOR THE SCHEDULED TWO-DAY SPECIAL SESSION OF THE SOUTH AFRICAN PARLIAMENT ON THE MATTER SET TO BEGIN DECEMBER SEVENTH. AT THIS STAGE IT'S STILL NOT KNOWN WHETHER THE ERASMUS COMMISSION WILL CONDUCT ANY OF ITS INVESTIGATION IN PUBLIC.

THE SCANDAL HERE INVOLVES ALLEGATIONS THAT FOURTEEN MILLION DOLLARS IN SECRET GOVERNMENT FUNDS WERE USED TWO YEARS AGO TO LAUNCH A PRO-GOVERNMENT ENGLISH LANGUAGE NEWSPAPER, THE CITIZEN. THAT DAMAGING ALLEGATION WAS MADE TO ANOTHER GOVERNMENT SPONSORED INVESTIGATING COMMISSION BY LOUIS LUYT, THE JOHANNESBURG BUSINESS MAN WHO WAS THE CITIZEN'S INITIAL OWNER. HE CLAIMED THAT THEN INFORMATION MINISTER, CONNIE MULDER, FORMER PRIME MINISTER JOHN VORSXER AND FORMER INTELLIGENCE CHIEF GENERAL HENDRIK VAN DEN BERG WERE BEHIND THE NEWSPAPER SCHEME. MISTER VORSTER RETIRED TWO MONTHS AGO AS PRIME MINISTER AND NOW HOLDS THE LARGELY CEREMONIAL POST OF STATE PRESIDENT. GENERAL VAN DEN BERG HAS

RETIRED FROM ALL GOVERNMENT SERVICE. MISTER MULDER CONTINUES IN THE CABINET AS MINISTER OF BLACK AFFAIRS.

BUT THE ALLEGED MISCONDUCT AND MISUSE OF FUNDS GOES BEYOND CREATION OF THE CITIZEN NEWSPAPER. AMONG OTHER THINGS SOME OFFICIALS IN THE FORMER INFORMATION MINISTRY ARE ALLEGED TO HAVE ENRICHED THEMSELVES PERSONALLY AT GOVERNMENT EXPENSE. SOME PRO-GOVERNMENT NEWSPAPERS HERE HAVE CALLED ON MISTER MULDER TO RESIGN. BUT HE HAS REPEATEDLY SAID OVER THE PAST FEW DAYS THAT HE HAS NOTHING TO HIDE AND WILL COOPERATE FULLY WITH THE ERASMUS COMMISSION PROBE. EARLIER THIS YEAR MISTER MULDER TOLD THE ALL WHITE PARLIAMENT IN CAPE TOWN THAT NO GOVERNMENT FUNDS WERE INVOLVED IN SETTING UP THE CITIZEN.

FUTHER DEVELOPMENTS MONDAY INVOLVE DEATH THREATS AGAINST REPORTERS ACTIVE IN UNCOVERING THE SCANDAL. AND OVER THE WEEKEND A MYSTERIOUS GUNMAN FIRED A SHOT INTO THE HOME OF THE CITIZEN'S POLITICAL CORRESPONDENT IN PRETORIA. NO ONE WAS INJURED DURING THAT INCIDENT.

FOREIGN MINISTER ROELOF BOTHA MET OVER THE WEEKEND WITH SOUTH AFRICAN DIPLOMATS IN EUROPE AND RETURNED TO JOHANNESBURG SUNDAY NIGHT, SAYING SOUTH AFRICA'S INTERNATIONAL CREDIBILITY HAS BEEN SEVERELY DAMAGED BY THE CLAIMS OF GOVERNMENT CORRUPTION. MEANWHILE, THE CITIZEN IS STILL IN BUSINESS AND SAYS EDITORIALLY MONDAY THAT ALL THE FACTS INVOLVED IN THE CASE MUST BE FERRETED OUT BY THE ERASMUS COMMISSION. AFTER A STRING OF STINGING EDITORIAL DENIALS LAST WEEK, THE CITIZEN NO LONGER CLAIMS THAT IT WAS NOT SET UP WITH GOVERNMENT MONEY. BUT THE NEWSPAPER APPARENTLY STILL OPERATES AT A FINANCIAL LOSS, AND THAT HAS PROMPTED ONE OPPOSITION MEMBER OF PARLIAMENT TO ASK WHETHER THE PAPER IS STILL BEING FINANCED WITH GOVERNMENT FUNDS.

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